

EXHIBIT 9

To

EXHIBIT H

Three problems with this sheet:

- 1) For an account with 87% in stocks, Linda described it as "balanced." This shows a lack of understanding. I have corrected this before - she should remember!
- 2) Using a taxable bond index for an acct w/ municipal bonds. Again, a lack ~~is~~ of understanding
- 3) She knows the client has made major withdrawals, but did not put together a list for the book. Should have anticipated this need.

62 4/29/03

INVESTMENT REVIEW

Investment Advisory 108-
[REDACTED]

October 16, 2002

Family Office
Balanced approach which combines equities for long-term growth
and bonds for current income and account stability.
Long-term investment horizon.

Equity Strategy

Large Cap stock asset class is represented by individual company names.
Mid, Small and International asset classes are represented by mutual funds.
Bond asset class is represented by tax exempt Virginia bonds.

	<u>12/31/2000</u>	<u>12/31/2001</u>	<u>6/30/2002</u>	<u>9/30/2002</u>	<u>12/31/2002</u>	<u>3/31/2003</u>
Historical Value	\$ 1,270,517	\$ 1,184,014	\$ 1,098,711	\$ 941,348	\$ 891,303	\$ 753,446
Act. No. 108- [REDACTED]						

Asset Class Time Weighted
Rates of Return through
Period ending 3/31/03

	1st Quarter thru 3/31/03	Annualized 1 Year	Annualized 3 Year	Annualized 5 Year	Annualized 7 Year	
Total Account	-3.63%	-19.09%	-11.75%	-3.17%	-3.17%	3.50%
Act. No. 108- [REDACTED]						
Equities	-4.31%	-25.56%	-15.69%	-4.83%	-4.83%	3.38%
Act. No. 108- [REDACTED]						
Bonds	0.66%	8.47%	6.71%	5.36%	5.36%	N/A
Act. No. 108- [REDACTED]						
S&P 500 Large Cap Index	-3.16%	-24.76%	-16.09%	-3.76%	-3.76%	5.59%
S&P 400 Mid Cap Index	-4.44%	-23.45%	-5.40%	3.27%	3.27%	9.90%
S&P 600 Small Cap Index	-5.79%	-24.81%	-3.26%	-0.88%	-0.88%	6.28%
MSCI EAFE Index	-8.21%	-23.23%	-19.54%	-7.13%	-7.13%	-2.60%
MSCI Emerging Markets	-5.87%	-20.58%	-16.35%	-6.85%	-6.85%	-5.82%
Lehman Aggregate Index	1.39%	11.69%	9.81%	7.51%	7.51%	7.76%

Try the suggested changes to the
balance sheet is not balanced.

* DO a separate chart of his cash withdrawals
back to now for as SET will run.

EXHIBIT 10

To

EXHIBIT H

Statement of Investment Policy

Name: [REDACTED] DEF BENEFIT-IMA

Tax ID: 510-21-3426

Account Number: 108 [REDACTED]

Investment Objective: MODERATE GROWTH PRESERVATION OF CAPITAL WITH
SOME GROWTH POTENTIAL

Risk Tolerance: MODERATE TO HIGH Low TO MODERATE

EXCEEDED BENCHMARK OVER FULL MARKET CYCLE

Return Requirements: EXCEEDED S&P OVER FULL MARKET CYCLES

Liquidity Needs: Monthly transfer of net income to principal NONE GIVEN

Time Horizon: 5-10 yrs.

Asset Allocation:

	<u>Target</u>	<u>3/18/03</u>
Equity:	29%	29%
Bonds:	70%	65%
Cash:	1%	6%

Equity Allocation:

	<u>Target</u>	<u>3/18/03</u>
Large-Cap:	65%	62%
Mid-Cap:	10%	11%
Small-Cap:	10%	10%
Dev. Int'l:	10%	8%
Emerg. Mkts:	5%	9%

Benchmarks:

S&P 500
S&P 400
S&P 600
MSCI EAFE
MSCI EMF

Lack of understanding
that 30% in stocks
is not "moderate to high"
Special or Unique Circumstances: risk.

All equity allocation percentages except Emerging Markets are
permitted a variance of +/- 10%. Emerging Markets is
permitted a variance of +/- 5%. Overall asset allocation
targets are permitted a +/- 10% variance.

Client signature: _____

Name: Martin J. Cosgrove, M.D.

Vice President

Date: _____

Date: _____

EXHIBIT 11

To

EXHIBIT H

Landis Gregg L

From: Blozis Linda J
Sent: Thursday, April 24, 2003 8:22 AM
To: Landis Gregg L
Subject: RE: [REDACTED]

ok

Linda J. Blozis
Mellon
19G-0201
(302) 421-2208
blozis.lj@mellon.com

—Original Message—

From: Landis Gregg L
Sent: Thursday, April 24, 2003 7:54 AM
To: Blozis Linda J
Cc: Becker William S
Subject: FOX

Bill thought the Baseline system could help with booklets, but he found out that upgrade was not ready yet. And so on 4/24
↗ we told Linda she still needed to do the books.

I spoke with Bill, and we will need you to prepare the [REDACTED] books in the same format as last time. Thank you.

Brendan spoke with Linda on 4/30/03. She had asked if Bill Becker's new team could prepare the [REDACTED] books. Bill thought that since Linda was assigned the task on 3/31/03, she should have already completed them. On 4/24 she acknowledged that it was her responsibility. Brendan called Rosemary and they will place Linda on final written warning.

EXHIBIT 12

To

EXHIBIT H

Landis Gregg L

From: Thomas Rosemary C
Sent: Wednesday, May 07, 2003 4:47 PM
To: Landis Gregg L; Gilmore Brendan M
Cc: Becker William
Subject: RE: Linda Blozis

Gregg, thank you for your update on this situation.

—Original Message—

From: Landis Gregg L
Sent: Wednesday, May 07, 2003 12:25 PM
To: Gilmore Brendan M
Cc: Thomas Rosemary C; Becker William
Subject: Linda Blozis

Brendan:

I know you met with Linda on Wednesday 4/30 to discuss the [redacted] meeting booklets. Given the advance notice she had, plus her familiarity with the accounts, I believe you told her she needed to complete the books before leaving for vacation last week.

When I returned to the office from my DC business trip on Monday 5/5, I found that the books were not completed. Linda left for vacation on Friday 5/1. Pages were run, but not assembled. Maria met with me to discuss the order of the pages/sections and she is now working to complete the books.

While reviewing them, it became clear that Maria (not Linda) had created the pie charts and possibly other pages for the project. I appreciate her willingness to help, and am glad that she is learning more about our presentation books. But my impression was that you assigned the task of fully completing the books to Linda.

Today as Bill Becker reviewed the book, he discovered that Linda ran a market value history page that only went back 2 years in this long-term account relationship. This level of reporting would not be sufficient for the meeting. Bill remembered creating a page for earlier books that had history back to 1990, but Linda did not use that slide. Given the expanding role of our assistants, we expect them to know what should be included in presentation books - especially showing as much account history as is available. The correct page was located today in the Delaware computer drive, and we are placing it in the books.

I thought this information would be important as you consider Linda's recent job performance.

EXHIBIT 13

To

EXHIBIT H

Landis Gregg L

From: Kochis Paul M
Sent: Friday, May 09, 2003 5:15 PM
To: Landis Gregg L; Gilmore Brendan M
Cc: Thomas Rosemary C
Subject: RE: Linda Blozis

Rosemary, this is gross negligence or insubordination in my view. I do not understand why she can not be immediately terminated if she has no adequate answer to these serious errors, on top of what occurred last week. I think Gregg should call her and ask about these two items with Rosemary on the phone. Absent adequate explanation, I recommend that she be terminated next week upon her return.

-----Original Message-----

From: Landis Gregg L
Sent: Friday, May 09, 2003 5:07 PM
To: Gilmore Brendan M
Cc: Kochis Paul M; Thomas Rosemary C
Subject: Linda Blozis

You asked me to report the following issues regarding Linda's job performance that were uncovered this week while she was on vacation. You also asked me to copy Paul Kochis and Rosemary Thomas on this e-mail.

1. Following a teleconference with [REDACTED] to discuss the [REDACTED] family trusts (relationship paid \$300,000 in 2002) you sketched out an investment proposal and asked Linda to type it up send it to the client. The client called this week, having received only the purchases and not the sales. We found the file copy of the recommendation, and only the purchases were sent. On the computer system, we found the cover letter and the purchases, but not the sales. Thus, our recommendation was incomplete. The whole idea of the proposal was to recommend selling overweight positions as a risk reduction tool. In your handwritten notes, the sales and purchases were on the same page. This is typically how an investment recommendation is made. It is troubling that Linda does not know how to prepare an appropriate recommendation, especially when you gave her all of the information. All she needed to do was type it and put it in the envelope. Needless to say, this made Mellon look very unsophisticated to an important client who has much more money at other institutions, ties to the community, etc.
2. On Monday 4/7/03, I gave Linda a draft investment recommendation for the [REDACTED] account. This is something I worked on at home the previous weekend because I was concerned the co-trustee has not been getting sufficient attention. When I gave the program to Linda, I wrote three directions at the bottom and dated my comments. She was asked to: (a) read the file to make sure my recommendations were in line with the stated objectives, (b) run a porch analysis on the stocks, and (c) present the information to Bruce so that he could turn my work into a formal recommendation to the co-trustee. This week, when we were looking through Linda's pending work to see if we could find the [REDACTED] program mentioned above, I came across my 4/7/03 draft investment recommendation for the [REDACTED] account. It appeared as if no work was done. I called Bruce to see if Linda had spoken with him about the project, and she had not. A full month has passed since I did the preparatory work and gave it to Linda, and she has not followed through. This is a relatively small account and not one of the "A" or "B" level relationships in our office. But it is not Linda's job to decide that assigned work should be put off. I was concerned enough about the account to take time at home over a weekend to prepare the recommendation. Linda was simply asked to review the file, run a porch, and send the work to Bruce. Our goal for assistants is ultimately to have them making first-draft investment recommendations, but Linda has proven

incapable of even basic follow-up and time management. Her response will be that she has been busy with more important clients, but I find it inexcusable that this job did not get done in the past month.

I understand you will be placing Linda on final written warning next week, and will be asking Rosemary to help in the communication of this decision.

EXHIBIT 14

To

EXHIBIT H

INVESTMENT REVIEW
 [REDACTED] Trust 108 [REDACTED]
 May 14, 2003



Portfolio Overview:
 Long-term investment horizon.

Current Strategy:
 Large Cap: Tax exempt diversified stock model.
 Mid Cap and International: Mutual Funds

	<u>12/31/1998</u>	<u>12/31/1999</u>	<u>12/31/2000</u>	<u>12/31/2001</u>	<u>12/31/2002</u>	<u>4/30/2003</u>
Act. No. 10 [REDACTED]	\$ 2,245,805	\$ 2,366,363	\$ 2,254,660	\$ 1,950,594	\$ 1,547,531	\$ 1,575,783

Asset Class/Time Weighted Rates of Return Through Period ending 4/30/03

Total Account
 Act. No. 108367F4001

Equities
 Act. No. 108367F4001

S&P 500 Large Cap Index
S&P 400 Mid Cap Index
MSCI EAFE Index

Year to Date
ending 4/30/03
 2.44%

3.16%
 -16.13%

4.82%
 2.50%
 -0.27%
 -13.30%
 -17.52%
 -18.15%

Each page in this book shows account performance going back only 1 year. But the accts have been here since 1998. It is standard procedure to show the client as much history & performance as possible.

62 5/13/03

EXHIBIT 15

To

EXHIBIT H

EXHIBIT 16

To

EXHIBIT H

Linda:

Trust Account Nos. 01R-[REDACTED], 01R-[REDACTED], 01R-[REDACTED] & 67N-[REDACTED] (was 01R-[REDACTED])
COMBINED EQUITY DIVERSIFICATION FOR INDIVI

is wrong. It says
 25.03%. but appears

to be about 6%.

Please fix this, re-check
 all numbers & e-mail
 to Calder Puggy.

GL
 5/13/03

